

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2000-587

July 18, 2000

PUBLIC UTILITIES COMMISSION
Investigation of AGF Direct Energy, LLC
Complaint Regarding Northern Utilities, Inc.'s
Transportation Service Metering and Balancing
Terms and Conditions and Rates

NOTICE OF INVESTIGATION

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

We open a formal investigation, pursuant to 35-A M.R.S.A. §1303, into AGF Direct Energy, LLC's complaint to determine whether Northern Utilities, Inc.'s (Northern) daily meter requirements and balancing charges are reasonable.

II. BACKGROUND

On June 5, 2000, AGF Direct Energy, LLC (AGF), an energy marketer serving in Maine and other New England states, contacted the Commission to request that we review whether Northern's natural gas transportation metering requirements and balancing charges are reasonable. See attached. AGF asserts that the transportation service terms that Northern has proposed for Model Terms and Conditions of transportation service in New Hampshire are less onerous to small transportation customers, and it requests that we consider whether it would be more financially beneficial to Northern to provide similar service terms in Maine.¹

In particular, AGF states that Northern may not require daily meters for customers whose annual usage is below 100,000 therms, whereas in New Hampshire, whereas all of Northern's transportation customers are required to install and maintain daily meters at significant cost to take transportation service.

In addition, AGF notes that Northern's daily balancing charge in Maine is nearly ten times greater than its charge in New Hampshire (\$0.322 per therm versus \$2.977 per Ccf).

¹ A consortium of local distribution companies serving in New Hampshire and New Hampshire Public Utilities Commission staff members developed the Model Terms and Conditions proposed in New Hampshire. They are pending final approval of the New Hampshire Public Utilities Commission in its gas restructuring proceeding and are currently proposed for effect on Nov. 1, 2000.

Northern's current transportation tariffs went into effect on November 1, 1999 under a stipulation in a recent rate design proceeding. *Northern Utilities, Inc., Proposed Tariff Revisions – Request for Approval of Rate Redesign and Partial Unbundling Proposal*, Docket No. 97-393, Part One Order Approving Stipulation (Sept. 3, 1999). On June 1, 2000, Northern notified its Maine customers that it would begin to apply its daily metering and transportation tariffs. This event, along with the recently developed Model Terms and Conditions in New Hampshire, prompted AGF's complaint.

During 1999, we also initiated an inquiry into natural gas competition and unbundling issues with the intention of establishing state policy on such issues as the one raised in this case. *Maine Public Utilities Commission Inquiry into Natural Gas Competition and Unbundling Issues*, Docket No. 99-342, Notice of Inquiry (June 4, 1999) (Inquiry). We have not yet reviewed or resolved this issue, and the recent proposal of the Model Terms and Conditions in New Hampshire makes it more urgent that we do so, at least with respect to Northern which serves in both states. As noted in our Inquiry, it is important to consider the regional implications of Maine utility tariffs and our regulatory policies on the emergence of competitive service markets.

This investigation will focus on whether Northern's Maine transportation tariffs are reasonable and consistent with sound public policy. Consequently, we hereby make Northern a party to this investigation and direct it to respond to AGF's concerns at a technical conference that will be scheduled within the next few weeks.

Other persons wishing to participate in this proceeding should file a petition to intervene with the Administrative Director by July 25, 2000. Objections to petitions to intervene are due August 1, 2000. We expect to hold a technical conference on this matter in early August and will notify proposed intervenors of the date when it is set.

Dated at Augusta, Maine, this 18th day of July, 2000.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
Nugent
Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.